Democracy Fund

Public Square

Program Evaluation

2016–2021

Summary Report

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IMPACT ARCHITECTS
Introduction

Over the past five years, the media industry as a whole has shifted its attention to the worrying lack of quality local news serving diverse communities across the United States. During the same time period, the U.S. political and legal systems have continued to limit press freedoms, and in some cases, committed outright attacks on the press. And in 2020, the country as a whole turned its attention to racial justice mobilizations, beginning to reckon with a history of inequity, exclusion, and systemic racism, including in the journalism industry. Looking back across these events, Democracy Fund’s (DF) Public Square Program was doing critical work in its Ecosystem News, Trusted and Engaged Journalism, and Press Freedom strategies.

DF was well positioned to not only meet the moment, but to support critical partners and lead the work towards systemic shifts in local news, equitable journalism, and press freedom. Over time, DF’s Ecosystem News (EN), Trusted and Engaged/Equitable Journalism (EJ), and Press Freedom (PF) strategies have learned from each other, and the space between them has significantly narrowed to the point where many current grantees and initiatives could fit comfortably within more than one strategy.
Ecosystem News

The core approach of the EN strategy (focusing on local news and information ecosystems, supporting backbone institutions, and creating opportunities for new funders to enter the space) has not significantly shifted over the past five years, and there is evidence that this approach has achieved key desired outcomes. It has:

1. Contributed to stronger local news ecosystems in the five communities (Colorado, New Jersey, New Mexico, North Carolina, and Chicago) where it has most deeply funded and supported the work;
2. Contributed to increased philanthropic resources in all five ecosystems where DF works most deeply; and
3. Contributed to a shift in the fields of both nonprofit news and philanthropy toward thinking about local news through an ecosystems lens, resulting in increased resources for local news.

The effects of DF’s support for local news ecosystems – increased collaboration, relationships among newsrooms and audiences, adaptive capacity, and sustainability – were most evident in nonprofit and independent newsrooms that hold at their core the values and approaches of equitable journalism.

We also see an increase in funding for the ecosystems where DF invests. Increased funding is also a trend we heard in other ecosystems beyond DF’s core regions, but we did not interview other funders about DF’s influence on those choices. And while national institutional funders of journalism are increasingly thinking and talking about local news ecosystems, their approaches to funding local journalism continue to vary, supporting individual newsrooms, collaborative efforts, in many cases, national support organizations and in fewer cases, ecosystems holistically.

Backbone Institutions

One notable success of DF’s ecosystem model is the support of backbone institutions. Backbone institutions are organizations that have deep relationships across the ecosystem, provide training, coordinating, and networking support, and can serve as a first point of entry for new journalism funders, often resulting in more equitable distribution of funds across the ecosystem. Some examples from DF’s portfolio include the North Carolina Local News Lab Fund, Colorado Media Project, and the Center for Cooperative Media in New Jersey.
In particular, there is evidence across DF’s five ecosystems that backbone institutions have successfully achieved the following:

1. **Increased funding:** In all Democracy Fund target ecosystems, there has been increased funding from other funders for local news since 2016, most of which has been channeled through backbone institutions and other organizations supported by Democracy Fund. DF’s ecosystem activities also include funder outreach and education, building new relationships and planting the seeds for future funding.

2. **Increased collaboration:** We see a noted increase in collaborative activities – editorial projects, shared fundraising, community engagement – in the past five years in geographies with backbone institutions.

3. **Entry point to the ecosystem:** Ecosystem leaders in backbone institutions are often the first point of contact for new funders to the local news ecosystem, both locally and nationally. Backbone leaders also take on outreach roles, recruiting new funders into the ecosystem.

4. **Creation of shared knowledge base:** Backbone institutions serve as a nexus for research, resources, and shared practices spread throughout the ecosystem. This shared knowledge base helps them assess needs and channel support in targeted ways, especially to underserved areas.

5. **Keepers of a framework for equity, with an eye towards inclusion and equitable distribution:** With one central node of an ecosystem, backbone leaders can respond to ecosystem work and funding previously operating in silos – working to ensure that all local actors are included in ecosystem activities and that funds and power are equitably distributed.

6. **Identifying and promoting shared needs as well as highlighting responses, organizations, and leaders:** Backbone institutions can communicate on behalf of the ecosystem, not only identifying shared needs, but spreading knowledge of the state of the ecosystem, underlining the needs, and highlighting positive developments and responses, ripe for additional funding.
Local ecosystem builders (a cohort of individuals working to build local ecosystems and relationships across newsrooms throughout the US brought together by DF) put the importance of these backbone institutions in stark relief in interviews. For those working in ecosystems without backbone institutions, they noted serious challenges in their ecosystems that exist to a lesser extent in DF supported ecosystems with backbone institutions, including:

- A lack of coordination across organizations;
- The tendency for new and/or smaller organizations, particularly those firstly serving and led by BIPOC community members, to be left out of collaboratives, not have access to capital resources, and to end up in extractive relationships;
- The absence of an entry point for new funders to local news and information, resulting in resources going to commercial, for-profit, corporate owned media, perceived “winners,” and/or new startups led by those with previous philanthropic connections.

In our evaluation we heard a tension between supporting journalism support organizations and just giving funds to newsrooms directly. Our research shows value in both approaches given the emerging nature of this field, but DF and other funders should examine this balance carefully within their strategies.

**Increased Philanthropic Funding**

Funding has increased across all five of DF’s ecosystems – Colorado, New Jersey, New Mexico, North Carolina, and Chicago. While the relative distribution of resources to backbone institutions, newsrooms, research, education, content, and tools varies in each, it’s worth noting that backbone institutions have increased both the number of donors and total dollars brought in across the board. DF has also played a critical role in bringing new local funders to the table through the models of its own ecosystems work, network and relationship building, and the expansion of NewsMatch, a national funding campaign for local news that has served as an on-ramp for many new local journalism funders and donors.

While separate from the ecosystems, NewsMatch has become a major catalyst for new journalism funding since its creation in 2016. NewsMatch’s local match dollars increased 117% from 2019 to 2020, and 249% from 2017 to 2020. And the number of local match donors has increased a staggering 2,088% in the program’s four years, with only 17 local match donors in 2017, and 372 in 2020. NewsMatch also tracks the number of new donors to local newsrooms participating in the match program each year. There has been a 140% increase in the number of new donors from 2017 to 2020, from 43,014 new donors in 2017, to 96,493 in 2020.
According to the Institute for Nonprofit News (INN), since 2016, the number of local nonprofit news organizations has doubled, although about half of these still have total annual revenue of less than $250K and continue to struggle to become sustainable. That said, as opposed to earlier decades, few of the news start-ups of the past five years have failed or closed which indicates that the field has landed on better strategies for sustainability even if there is a long way to go. Given the significant increase in the number of local nonprofit news organizations, we can infer that there is more reporting happening in many local communities than there was five years ago, following the rapid demise of local legacy newspapers.

While revenue overall to nonprofit news organizations has increased during the same time period, the majority of these resources continue to be for individual newsrooms, rather than for ecosystems as a whole. National journalism funders – DF’s peers – have given more attention to the “crisis” in local news since 2016 (as compared to national or single-issue news), their strategies are generally focused at the national level and/or in supporting intermediary organizations with the hope that there will be a “trickle down” effect to support local news organizations and ecosystems, together with support for individual local newsrooms. However, during this same time period, local funders, many who have not previously given to journalism initiatives, have recognized the importance of news and information to healthy communities and have steadily increased funding for local news.

In addition to continuing to support the development of robust local news ecosystems, there is opportunity for DF to continue to demonstrate the value of strong backbone institutions and infrastructure to its peers, particularly as they relate to creating more equitable news ecosystems.
Equitable Journalism

In order to reflect changes in thinking and funding approaches, Democracy Fund’s Public Square Program in early 2020 shifted its Trusted and Engaged Journalism strategy to focus on Equitable Journalism. DF observed that the practices of engaged journalism, including technology to support these practices, were becoming more commonplace in newsrooms of all business models, in many ways achieving the original goals established in DF’s hypothesis chains. However, there were early signs that these practices of directly reaching and engaging audiences was not necessarily building trust, repairing existing relationships, or building new relationships with audiences, especially among those who have been historically marginalized, excluded, and misrepresented by journalism institutions, including Black communities, Indigenous communities, people of color, and women.

DF responded to this field shift by further centering equity in its work. Moving beyond seeking scale with tools and technology to move organizations incrementally in the direction of equity, DF’s shifting strategy instead focused on supporting organizations and approaches that already center equity, with community building, engagement, reporting, and content distribution, often developed in specific contexts to serve specific communities.

Two years after this shift, there is evidence that equitable journalism organizations are successfully building trust-based relationships with communities. Furthermore, the practices developed by organizations using an equitable journalism approach are also showing evidence that they can work at scale. For example, City Bureau’s Documenters program is being implemented not only in Chicago, but also in Minneapolis, MN, Detroit, MI, and Cleveland, OH, in addition to other lookalike programs across the country that the City Bureau team has generously advised.

Over the early years of its strategy, DF contributed to engaged journalism practices becoming commonplace in newsrooms across the U.S. Recognizing that engagement alone was not addressing many of the structural inequities of journalism, in early 2020 DF moved to support equitable journalism, and is a critical player in both defining and building support for this type of work.
Shifting Landscape

Over the past five-plus years, audience engagement has moved from the fringes of newsrooms to a core part of operations, from commercial hedge-fund and corporate owned outlets to independent for-profits and nonprofits alike. However, what newsrooms mean by “engagement” has expanded in definition, and the practices vary widely. For some, including many corporate or hedge-fund owned media, audience engagement remains a strategy developed for digital spaces and social networks. They particularly use it to reach current and potential audiences in order to direct them to content with the goals of increasing “engagement” (in these cases, referring to advertising metrics that go beyond pageviews, such as time on page, and scroll depth) as a pathway to increased revenue through advertising and subscription dollars. And while these practices have become commonplace, they have not resulted in large scale shifts in trust in the media. Over this same time period, there have been what can be thought of as two parallel universes of journalism developing: Status-quo journalism and equitable journalism.

Status-quo journalism, which includes but is not limited to legacy news organizations, has approached the challenges associated with market failure for journalism organizations, increasing mis- and disinformation, and increased competition for audience attention with a collection of new tactics and practices designed to reach audiences and convert them into paying members and/or subscribers.

At the same time, the parallel universe of equitable journalism has been working to achieve fundamental structural change in the journalism industry. This universe is composed of new and pre-existing journalism organizations that are led by and directly serving communities, often women, Black, Indigenous, and People of Color (BIPOC), immigrants, and/or particular age groups. While some status-quo journalism organizations appear to be willing to do the work required to radically transform their organizations to be equitable journalism organizations, our research suggests that this path is limited and difficult. Incremental change in status-quo newsrooms is unlikely to lead to radical transformation into equitable journalism organizations. And a preliminary scan of philanthropic resources available suggests that the majority of funds are still going to status-quo news organizations, sometimes to support change toward more equitable journalism. However, those organizations with an equitable approach to journalism continue to be woefully under-resourced.
Journalism's Parallel Universes

**Status-Quo Journalism Universe**
- Status-quo, historically white-led &/or serving media
- Searching for sustainability within current system
- "Journalisms" (practices)
  - Engaged
  - Solutions
- Support organizations offering training, capacity building, & fellowships

**Equitable Journalism Universe**
- Community-led and serving media
- Striving for structural changes to achieve sustainability
- Equitable approach to journalism
  - Audience/community first
  - Information as a civil rights & justice issue
- Support organizations offering organizing, policy, and advocacy
- Building power in communities

**Status-Quo Journalism Funders** $$$$

**Equitable Journalism Funders** $
This distinction can also highlight differences between some models of engaged journalism and practices that sit more squarely in equitable journalism. Equitable journalism can be thought of as a strategy to serve communities with a long term goal of building power in communities, and engaged journalism practices show up as specific tactics, but are in and of themselves insufficient to transform the industry. Additionally, engaged journalism, at least up to this point, has often privileged scale of engagement, while equitable journalism has privileged depth of relationships, with scale a secondary part of the process.

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<th>Engaged Journalism</th>
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<td>Build loyalty among audience</td>
<td>Build power in community</td>
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<td>Privileges scale</td>
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Since 2016, researchers, newsrooms, and funders alike have dedicated resources, energy, and attention to attempting to understand why people trust some news sources, and not others. And, as mis- and disinformation have become rampant and the negative social and political effects laid bare, questions about how to entice people to trust the “right” kind of information – typically assumed to be quality professional journalism – have taken on a sense of extreme urgency. In general, research suggests that increasing transparency, putting faces to bylines, and generally “showing the work” of journalism can increase trust among audiences to a degree. However, when considering how to build trust with community members who actively distrust a news organization, transparency is not enough. Using this research as a lens to look across DF’s work in the trusting news space – support for trust work directly, as well as in EN and EJ where the goals are more explicitly to change journalistic approaches in order to build trust – the strongest work is that which supports organizations and networks that are already fundamentally centering the needs of communities/audiences in editorial decision making, resulting in highly inclusive, equitable, and relevant content.
In other cases funders (sometimes different funders, often the same), recognizing the glacial pace of change in status-quo media, are instead funding new media startups that propose to center equity. While this is laudable, this approach often misses the existing organizations that already have deep relationships with communities. Some pre-existing community-serving organizations that have equity at their core, particularly those that are BIPOC-led, have noted that in this funding landscape, their work is often overlooked and they continue to be under-resourced. This can be particularly true for innovation organizations whose journalism does not look like that of legacy news organizations.

**Customized Support, Rather Than Out-of-the-Box Trainings**

DF has also invested in training, fellowships, and capacity building, and has supported organizations that largely recognize and avoid the pitfalls often associated with these types of programs. In particular, the Maynard Institute and Listening Post Collective have all worked to develop customized training and support for newsrooms that meets them where they are in their organizational development and brings significant resources to bear on what they view as shared work, be it organizational DEI practices, revenue generation, or community information needs assessment.

Trainings for operations and business development are needed by many news organizations, especially nonprofits; however, these trainings with no additional organizational resources (e.g., increased revenue, additional human capacity, software, etc) leaves organizations feeling even more frustrated with new knowledge without the necessary resources to implement changes. Furthermore, “out-of-the-box” trainings are often too generalized to be useful; organizations find customized trainings that operate more like consultancies to be most effective.
Building Power Through Increased Resources

To date, perhaps DF’s most successful efforts to build power with those advocating for equity in journalism is its work to galvanize peer funders, particularly through the Racial Equity in Journalism Fund (REJ Fund) housed at Borealis Philanthropies. The REJ Fund is designed “to strengthen the capacity and sustainability of news organizations led by and for people of color to provide relevant, accurate information to increase civic engagement in the communities they serve” by directly investing in these news organizations.

The Fund was launched in 2019 following research commissioned by DF with $3.6 million investments from DF, Craig Newmark Philanthropies, Ford Foundation, Google News Initiative, and the News Integrity Initiative at the Craig Newmark Graduate School of Journalism at CUNY. As of the close of 2021, the REJ Fund had received a total of $20.3 million in contributions from 16 donors (15 institutional, one individual). In 2020, its first year of grantmaking, the REJ Fund awarded $2.4 million to 27 grantees; in 2022, grantmaking increased to $3.6 million in grants to 28 grantees. Notably, DF’s role as a founding partner, alongside Farai Chideya at the Ford Foundation, provided not only support for equitable journalism organizations, but a vehicle for new funders to contribute to this space while also learning more about the approach, the needs, and the opportunities for additional support.

DF’s shift to an equitable journalism approach has brought both critical resources and attention to the work of organizations that have equity at the core of their approach to news and information, seeking to truly serve community members in building community power, rather than primarily to sustain their own news organizations. And while this deeply relational work requires significant human and capital resources, there is evidence that the approaches to equitable journalism can, in fact, scale, as demonstrated by work of DF grantees such as City Bureau’s Documenters program expansion, Outlier Media’s partnerships, and the Listening Post’s local strategy, among others.

Inequitable Distribution of Philanthropic Resources

There are still challenges associated with equitable journalism, particularly with respect to accessing resources. While shared funds like the REJ Fund have helped to increase the number of dollars going to equitable journalism organizations, significant philanthropic resources continue to go to legacy and status-quo media in an attempt to support their shift to engaged journalism in order to build relationships with historically underrepresented and often misrepresented sectors of communities. However, given the incentive structures of these organizations (i.e., market demands for profit associated with corporate ownership), this shift toward equitable journalism is not being observed, and it is unclear if this type of radical transformation in legacy and status-quo journalism is possible.
Press Freedom

The Press Freedom strategy has not significantly shifted from its original goals to expand legal support and insurance support to the field, in part because it started in 2017, later than the EJ and EN strategies. Instead, during the last few years DF doubled down on collaborative funding with the Legal Clinic Fund for Local News and has begun to develop approaches to mitigate the harassment of journalists, with a focus on women and people of color, coming closer together with PSP’s other two strategies described above.

DF has been particularly successful in supporting infrastructure that serves local journalism organizations and journalists. However, while DF’s investments are making an impact on journalists and journalism organizations, the overall environment of press freedom and democratic norms in the United States is worsening, not improving.

Increasing Resources for Local Legal Support

DF is not the only funder in the press freedom space, and there are other single organizations that have received funding higher than DF’s entire Press Freedom budget. But what distinguishes DF’s investments is that the support has over time evolved to focus on local legal infrastructure. While many major threats to press freedom are national, the needs and sites for intervention, especially regarding infrastructure, are local. And while the continued major threats to journalism suggest DF hasn’t been able to shift the narrative or norms around press freedom at the national level, as DF’s original PF strategy strove for, the work is having positive ramifications for local, under-resourced journalists. Even with DF’s important local work, national threats could radically change the legal landscape in coming years.

One innovative approach DF took was establishing the joint Legal Clinic Fund with the Klarman Family Foundation and Heising Simons Foundation, designed to support legal clinics at universities specifically to work with local reporters and journalism organizations. While legal clinics aren’t the only means to provide journalists and journalism organizations with legal assistance, the major difference between the way Legal Clinic Fund clinics operate and the other areas of support are in how they create lasting relationships with local newsrooms and the immediacy of being in newsrooms’ backyard. For example, after three years, there is emerging evidence that the clinics are becoming go-to sources of support for local journalism organizations and reporters.
Reporters Committee for Freedom of the Press (RCFP) has also developed a local strategy with DF’s general operating support, hiring local attorneys to serve as liaisons with journalists and newsrooms with access to RCFP’s national network. And RCFP is now working to create a network of local attorneys with first amendment expertise and interested in doing pro bono work with newsrooms. RCFP notes that a main challenge in this work has been attention and bandwidth of local newsrooms and reporters.

Perhaps one of the most impactful areas of future support is evident in infrastructural work done by Lawyers for Reporters, some LCF grantees, and the media liability insurance support offered by INN and LION. From 2019 to 2020, INN membership grew 27%, and now includes over 350 member newsrooms, and LION counts over 400 members of nonprofit and commercial news organizations. LION members now all have access to media liability insurance at a discount than they would individually, and INN has educated dozens of newsrooms on the importance of obtaining this insurance.

For many emerging news outlets, the most pressing legal support isn't necessarily litigation to access records or defense against defamation, but basic legal help for establishing a business. For a new news organization, the greatest need might be in figuring out how to hire full time employees, how to structure freelancer contracts, how to organize either as a for- or non-profit entity, and finding affordable and fairly priced media liability insurance. Having resources to attend to these legal needs helps a newsroom create a foundation to begin contributing to the local news ecosystem.
Grantmaking and Beyond

Centering Relationships Across the Public Square Program

In each Public Square strategy included in this evaluation, the success of DF’s joint funding efforts is clear. Through pooled funds, NewsMatch, and direct relationship building with other funders, DF has successfully mobilized external resources across all three strategies. This work requires significant time investment on the part of the program team to build these deep relationships, and it has paid off.

DF supported research also serves as critical resources in the field. As a trusted source of information, in large part due to a wide network and deep relationships, DF commissioned research garners attention and moves conversations forward. For example, Alicia Bell, director of the Racial Equity in Journalism Fund, noted that DF’s field research about the extent to which equitable journalism organizations that are serving BIPOC communities are under-resourced serves as a point of entry for many new funders in the space.

Beyond these tangible resources DF has created for the field, we heard time and again that the PSP team’s relational approach to their work, which creates both broad and deep networks, are of critical importance. Across all three strategies, grantees say that DF’s relationships across the field have resulted in new connections, resources, and often both. Additionally, individuals in local ecosystems where DF does not directly fund said that the respect that DF’s team has in the field makes them a powerful ally in communicating the importance of local journalism to new funders in the space. The respect and trust that DF’s relationships create are perhaps some of its most powerful assets in contributing to structural change. This relational work is labor intensive, but it has real value to the sustainability of news organizations on the ground.
An Ongoing Need for General Operating Support

While DF’s non-grantmaking activities were appreciated, such as stipends for cohorts or gatherings, many recipients of this type of support shared general operating funding would make a larger impact on their organizations over time.

Sustainability – both financially and organizationally – is perhaps the main point of concern for nearly every organizational and ecosystem leader with whom we spoke. The absence of long term funding and the resulting concern for an organization’s future drives much organizational behavior and decision making. This uncertainty and inability to plan for the long term puts pressure on ecosystems given organizations’ lack of time, capacity, and resources, even when they are receiving support from backbone institutions. In conversations with ecosystem builders and leaders, we heard that journalism and community organizations are not lacking in the desire and innovative ideas to better serve their communities, but they are consistently lacking the funds and capacity to enact these ideas. Similarly, backbone institutions have aspirations and ideas for how to support their ecosystems, but they themselves have limited capacity, financial, and human resources available.

While philanthropic funding for journalism has grown, particularly in places with pooled funds or a catalytic organization, the funding is still lacking in a number of ways. Foundation funding for local news and information is often:

- Too little to fund enough organizations to meet information needs and take the place of organizations that have closed;
- Not high enough to sustain all organizational needs for those it does fund;
- Not available as seed funding for new news organizations or initiatives;
- Lacking an understanding of how many resources are needed for in depth collaboration or community engagement;
- Project specific or constrained; and
- Awarded on an annual basis, limiting any long term planning.